



**Read Our Other Tips
about Getting and
Keeping Your Home**

- Pitfalls of Buying a Home
- Getting Ready to be a Homeowner
- Land Contracts
- How to Prevent Home Foreclosure
- What to do When Facing Home Foreclosure

Finding the Right Mortgage and Realtor

MORTGAGES

If you are ready to become a homeowner, it is time to find the lender that is right for you. You need to find someone who will not only give you a good rate, but will help you find the best type of loan for you. The Mortgage Bankers Association suggests the following steps in selecting a mortgage lender:

- Build a list of lenders.
- Decide if you need a special type of mortgage.
- Talk to a loan officer.
- Compare rates for similar loans.

Build a list of lenders. Talk with friends and family members who have recently bought or refinanced a home. Who did they finance with and were they satisfied? Call your own bank or credit union. Since you already have a financial relationship with them, they may offer a special deal. Look in the real estate or business section of the newspaper or under "Mortgages" or, in the yellow pages of the phone book. Shop around to make sure you are aware of the best deals available to you. Remember that this may be the biggest purchase of your life.

Decide if you need a special type of mortgage. There are a variety of mortgages available: Fixed-Rate Mortgages, Adjustable Rate Mortgages, Convertible Mortgages, and Special Mortgages (such as those from the Veterans Administration or the Federal Housing Administration). The Mortgage Bankers Association website, www.mbaa.org, has an overview of all these mortgages.

Talk to a Loan Officer. Call or visit the lenders on your list. This will give you a better idea what it will be like to work with them, and if they will meet your needs. You will have an opportunity to ask questions, find out what kinds of loans they offer, and even request references from them that you can check.

Compare rates for similar loans. When you visit lenders, ask about their mortgage rates and other costs, such as application fees and points. Your lender will also help you determine how much house you can afford. Keep in mind that how much money you can borrow is often greater than how much you can realistically afford. You and your lender will need to decide whether to include your insurance and real estate tax payments in your loan. If you do not include the tax payments, the Franklin County Treasurer's office offers a free and convenient monthly Direct Debit payment program. Call 614-462-7515 or 614-462-3441 for more information.

EDWARD LEONARD

Franklin County Treasurer

REALTORS

Once you have secured financing, now it is time to find a realtor. How do you choose a realtor? The National Association of Realtors says that you should ask:

- Does the agent have an active real estate license in good standing? You can find this information by calling the Ohio Department of Commerce, Division of Real Estate & Professional Licensing, 614-466-4100.
- Does the Agent belong to the Multiple Listing Service (MLS) or have a reliable online homebuyers search service? This is an information network of realtors, with descriptions of most houses for sale in a given area.
- What real estate designations does the agent hold?
- How long has the agent been in business?
- Which party is the agent representing - you or the seller? The agent should discuss with you the legal definitions of agency, so that you will know exactly where you stand.
- In exchange for your commitment, how will the agent help you accomplish your goals?

Be honest with your agent about your credit status, your pre-approved mortgage amount, and how much of a house payment you can truly afford. Know how much you can afford to spend and stay within your budget. Don't let anyone talk you into a house payment that you cannot afford to make. This is a big step forward for you, so don't let yourself get off track in terms of how much you can afford to spend. Making that mistake will lead you down the road to the legal foreclosure process, which will cause you to lose the house. In addition, that process will cost you money, time, disappointment, frustration, and ultimately it will leave your credit rating ruined.